

Responsible mining – a multi-stakeholder perspective

A concept note for the DSDS side event on February 3, 2006

Background

The Minerals and metals industry have always had a checkered history. Minerals and metals are materials that modern living cannot do without, but their extraction and development involves a number of obstacles that challenge sustainable development. The issues range from environmental, social and health impacts during the lifetime of the mine, to the inequitable distribution of benefits involved in their development. Some companies have experimented or replicated good practices, while also improving their image, but much more needs to be done if there is to be a difference across the board.

Countries like India are opening up to new mineral investments, domestic and international. However, in most cases the development of a mineral project has been visualized only in terms of reserves, markets and market prices, and production costs, with some ‘gains to the local economy’ used as an additional argument. However this approach is myopic, as projects impinge on and, therefore, need to take account of, the particular exigencies of the location, and the community. More than in other industries, the success of a mineral project is dependent on recognizing and understanding the context in which it is located. Just creating jobs is not sufficient. Gainers and losers are inevitably involved: people who lose their place, their aspirations, their social capital, the opportunity to use the only skills they have and their relations to the environment. The list of negatives is long. If there is a serious interest in visioning minerals as a positive force for the development of a region, there is a pressing, urgent need to do things differently.

There are a number of initiatives and tools that have been developed over the last few years to make mining more responsible. The resource endowment project that the International Council on Mining and Metals (ICMM) has been undertaking is relevant in this context. It seeks to identify good policy practice for mining and metals investments at national, regional, local and corporate levels within developing countries. The review aims to isolate the drivers of development effectiveness in the mining and metals sector and to document the policy frameworks, operational practices, and partnership arrangements that deliver sustainable outcomes on the ground. Similarly, TERI has worked with the Corporate Citizenship Unit of the University of Warwick on developing environmental and social performance indicators and a Quality of life tool that can be used to assess health and well-being in mining regions with support from IDRC, Canada, and has experimented with tri-sector partnerships with support from DFID, UK. Many mining companies too have their own stories to tell, as do NGOs. This workshop seeks to take stock of what has been done and what can be done better.

Objectives of the workshop

This workshop aims to create out of the box thinking and action –for the different stakeholder groups by bringing them together to discuss the problems, the solutions and the possibilities for more innovative thinking, sharing of good practices to improve

outcomes on the ground, and then plan for ways to take this forward. Specifically , workshop participants would discuss the following questions:

- What is the experience of workshop participants in ensuring that mining investments integrate social and environmental issues into investment decision-making in India?
- What good practice examples are available in India around integrating equitable and sustainable development into mining operations?
- What are the respective stakeholder roles (i.e. government, companies, NGOs, labor, donors, insurance companies etc) to enhance the social and environmental responsibility of minerals development ?

Issues to be covered

- Mining and poverty reduction
- Social investment and compensation
- Dispute resolution

Who will participate

Representatives of the minerals and metals industry and industry associations; government officials and policy-makers; representatives of the multilateral, bilateral, and national donor organizations; consultants; researchers and mining schools; mining NGOs.

About ICMM

ICMM is the international representative body of a group of the world's leading mining, mineral and metals companies and associations. Members include many of the largest global companies in the sector. It was established in 2001 with the specific mandate to offer strategic leadership to achieve improved sustainable development performance in the industry.

This is to be achieved through ICMM's Sustainable Development Framework which consists of four inter-related elements: (i) the principles, (ii) public reporting which has been developed together with the GRI, (iii) third party verification and (iv) sharing of good practices through a website managed jointly by UNCTAD, UNEP and DFID.

ICMM's work programme includes a number of other projects to identify and encourage social and environmental good practice in the industry and to work in partnership with NGOs and other groups. Recent achievements include a landmark pledge by member companies in 2003 not to explore or mine in World Heritage properties, which resulted from a dialogue process with IUCN, the World Conservation Union, a commitment to implement the Extractive Industries review and a draft position statement on Indigenous Peoples which is out for consultation.